Military Market

MAGAZ[illegible] ARMY TIMES PUBLISHING COMPANY FEBRUARY 1984 $2.00

C8910-1 2/10/84

Resale Warms Up To Frozens

WMMD20814 1264 3 02 C 01
CONGRESSIONAL INFO SVC
JOSEPH MCNALLY
4520 E-W HWY/#800
BETHESDA MD 20814

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Military Market serving the military retail system

FEBRUARY 1984/VOLUME 35/NO. 2
Army Times Publishing Company
A Division of The Times Journal Company

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MILITARY MARKET. (USPS 911-580)
Military Market is published 12 times a year by the Army Times Publishing Co., a division of the Times Journal Co., Springfield, VA 22159-0210. Single copies, $2, except January Buyers Guide and July Almanac and Directory issues, $5 each. Yearly subscriptions within the U.S. $20, to civilian addresses outside the U.S., $25. Second class postage paid at Springfield, VA, and additional mailing offices. **POSTMASTER:** Send address correction to Military Market Magazine, Springfield, VA 22159-0210.

Military Market survey

Good Holiday for Exchanges
Momentum May Carry Through in 1984

CHRISTMAS 1983 was a very jolly sales period for the exchanges. An overwhelming majority, 15 out of the 20 exchange managers interviewed by telephone, agreed that this year's Christmas was one of their best ever.

Coming on the heels of the 1982 season's dismal showing, several store managers felt sales were bound to be better this year. MILITARY MARKET's survey confirmed that 18 managers felt 1983 sales were better than last year's holiday sales. "When sales are as bad as they were last year, there's no direction for them to go but up," remarked one exchange manager.

The runaway leader in exchange sales was the electronics department. Virtually every store manager had glowing praise for the sales of audio, stereo and photographic merchandise. "This was the year for videocassette recorders and blank videotape," said another exchange manager. "Apparently the 'in' gift for 1983 was the VCR."

Microwave ovens, traditionally a high-ticket Christmas gift item, also fared exceptionally well in the exchanges. One manager told MILITARY MARKET, "Microwaves just flew out of my store — I had to special-order several of them in order to meet the demand. We have never had such a good Christmas for this item."

Sales of clothing, small appliances and toys in general were not poor, but several managers said sales for these items were less than they had expected. "A lot of what sells in your particular store depends to a large extent on your location and the customer profile for your store. At this particular post, troops move in and out frequently, and that really hurts our sales for home-related items, such as small appliances and tools," said another manager.

However, because of large amounts of advertising in base and post newspapers and flyers and several promotions at the exchanges, special one-time buys in housewares and small appliances were highlighted and enjoyed strong sales this Christmas. "There were some excellent deals on housewares that were well-promoted with flyers and it really paid off for us," said one AAFES exchange manager.

Several AAFES managers also gave a lot of credit for the strong holiday sales to the Holiday Dividend Bonus Program, in which participating exchanges gave significant savings back to the military patron. One exchange manager explained, "We were taking percentages off several items — the amounts were prorated for each exchange. There were some great deals available on housewares."

Some exchanges experienced shortages in certain select toy items, microwave ovens, housewares and some popular giftware items, such as china and crystal, but generally managers reported ample stocks and satisfied customers after the final holiday sales tickets were all rung up.

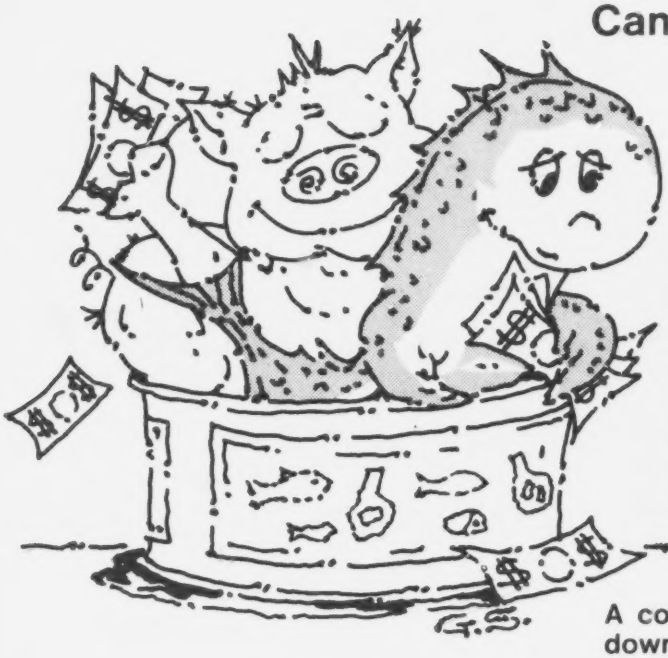
One category of products that fell below last year's sales levels at several exchanges was perfumes and cosmetics. "I guess everyone still had plenty of fragrance left over from last Christmas because our sales were very disappointing in this area," said a Navy exchange manager.

Special promotions and events tied to the post-Christmas period figured prominently in the strong sales reported by many managers. One exchange manager tells MILITARY MARKET, "I have found that post-Christmas sales are a good time to move more than just leftovers like wrapping paper and holiday merchandise — you can move a lot of other products if you promote the sale properly."

Exchange managers were also optimistic about future sales. Said one: "Of course it's always hazardous to venture a guess based on your Christmas sales alone, but 1984 is shaping up very well, and the momentum from this period often carries through."

MM

1. — HOW WOULD YOU DESCRIBE 1983 CHRISTMAS SALES AT YOUR EXCHANGE? Excellent — 15 Good — 5 About average — 0 Below average — 0 Poor — 0
WAS IT BETTER, THE SAME, OR WORSE THAN THE PREVIOUS YEAR? Better — 18 Same — 2 Worse — 0
2. — WHAT CATEGORIES OF MERCHANDISE WERE PARTICULARLY STRONG SELLERS THIS CHRISTMAS? Electronics — 10 Microwaves — 1 Housewares — 4 Clothing — 3 Giftware — 2
3. — WHAT CATEGORIES OF MERCHANDISE WERE POOR SELLERS OR SOLD LESS WELL THAN YOU EXPECTED? Winter clothing — 4 Toys — 5 Perfumes — 6 Cosmetics — 3 Electronic Games — 2
4. — WHICH DEPARTMENTS AT YOUR EXCHANGE SHOWED THE BEST SALES? Electronics — 7 Camera — 4 Housewares — 9
5. — HAVE STRONG CHRISTMAS SALES FOR YOUR EXCHANGE GENERALLY BEEN A GOOD OMEN FOR STRONG SALES DURING THE NEXT YEAR? Yes — 14 No — 4 Don't Know — 2
6. — DID YOU HAVE A STRONG POST-CHRISTMAS SALES PERIOD? Yes — 20 No — 0
DID YOUR EXCHANGE SPONSOR ANY SPECIAL PROMOTIONS OR EVENTS TO PROMOTE THIS PERIOD JUST AFTER CHRISTMAS? Yes — 17 No — 3
7. — WHAT WERE YOUR CUSTOMERS' MOST COMMON COMPLAINTS DURING THIS CHRISTMAS SEASON? Crowds — 5 Long checkout lines — 2 Too small an exchange — 2 Item selection was too small — 10 Prices too high — 1
8. — WHAT SORT OF THINGS DO YOU THINK COULD BE CHANGED TO INCREASE YOUR PROFITABILITY FOR THE CHRISTMAS PERIOD? See story
9. — WERE THERE ANY SHORTAGES IN ANY PRODUCT CATEGORIES AT YOUR EXCHANGE? Yes — 15 No — 5
10. — DO YOU EXPECT GOOD, AVERAGE OR POOR PROFITABILITY IN THE UPCOMING YEAR? Good — 14 Average — 6 Poor — 0



Future Prices Look Bright

A continuing oversupply keeps tuna prices down, and ample supplies of processing meat are predicted for 1984.

By DAVID B. COOLEY
Associate Editor

ALTHOUGH CANNED meat and seafood products continue to enjoy wide acceptance on American grocery shelves, the tuna canners are still contending with a long-term oversupply, say industry insiders. Commerce Department figures released in November show that the 1982 pack of most canned fish products was down from the previous year. Demand for tuna however, started to increase in late 1983, and this general trend is expected to continue through 1984.

The 1982 tuna pack, the largest segment in canned seafood, was off 14 percent from the 1981 pack. The reason for the smaller pack and higher wholesale prices has been a sustained carry-through of old inventories from previous years and low demand. The real culprit for the poor sales position was the high price of fuel, say informed industry sources.

Low-sodium tuna appeared on civilian and commissary shelves in mid-1982, and has been the only growth segment within the tuna category, according to James Reed at Ralston Purina. "There is very definitely a market for low-salt tuna," says Reed, "and low salt [tuna] is doing very well, considering the overall market trends." He adds that Ralston's Chicken of the Sea brand also is doing well with Lite tuna, which is packed in spring water and seasoned with oil and the traditional amount of salt.

Tuna Regrouping

"We see the tuna industry in a very healthy tonnage growth in 1984 — about two percent to four percent," says Erik Bloemendaal, product manager at Star Kist Foods Inc. "We've seen the category rebound," he says. "The fishermen are now paying less for fuel, so we're paying less for their catch. We're passing the savings along to the consumer," he says.

"The tuna industry is an extremely competitive market," Bloemendaal says, "and we heavily promote the Star Kist brand in the civilian stores and in the commissaries." Often the consumer is looking for a particular kind of tuna — white, light, oil pack or water pack. Neat, orderly stacks of cans on the shelves, rather than dumping the cans in bins, allow the consumer to recognize the kind desired with the least difficulty, he says.

"There is a growing consumer trend toward the water pack. It's a cleaner, lighter taste, especially for salads," he says. Star Kist is presently canning 60 percent of its tuna output in water and 40 percent in oil.

The other new tuna category — low sodium — is not catching on as fast as expected, Bloemendaal says, though it's important enough to Star Kist to be continued. "Our canneries identify those fish that have lower salt content — those are the ones we use for the low-salt product," he says. He adds that they come mostly from the western Pacific (Philippine Islands, Guam and Samoa), but that tuna fishing is conducted in the Atlantic and Indian oceans as well.

Star Kist is the No. 1 tuna at retail in the United States, according to SAMI figures, with about 31 percent of the market. Ralston Purina's Chicken of the Sea has 22 percent; Castle & Cooke's Bumble Bee has 14 percent; regional brands have 21 percent; and Japanese brands — Geisha, Empress and Three Diamond — have seven percent. The remaining five percent of the $1.4 billion market is in private label.

Surimi Seafood

A revolutionary product currently being test-marketed in the United States is made from fish that previously were considered inedible, or at best, unpalatable, says Doug Gordon, director of fishery affairs and seafood processors at the National Food Processors Association.

The product is surimi — a white, bland, gelatinous analogue of fish. Surimi is made from pollock, hake, gulf golden croaker and similar "junk fish" which, until now, have been under-utilized because of their coarse flesh and generally bony structure, says Gordon. "Surimi may well become a low-cost source of protein worldwide," he says.

Surimi can be reformed or reconstituted into almost any texture or shape to resemble tuna, shrimp, crab

Canned Seafood Production
CY 1982

Product	Standard Cases*	Pounds*	Wholesale Dollars*
Albacore white	6.0		
Light tuna	21.1		
All tuna	27.1	538.5	918.4
Clams	3.8	98.9	85.2
Salmon	2.5	120.3	199.0
Shrimp	1.2	1.2	45.0
Mackerel	0.9	39.2	14.9
Sardines	0.7	15.6	24.6
Oysters (drained)	0.1	10.7	2.2
Bonito	0.1	1.7	2.1
Pet food	8.5	406.9	130.0
All other	1.3	57.5	71.9
Total	**46.2**	**1,290.5**	**1,493.3**

*Standard cases and pounds in thousands, dollars in millions.
SOURCE: U.S. Department of Commerce

legs and other seafood products. When made properly, Gordon says it has the expected mouth feel, visual appeal, taste and texture of the product it is made to resemble — at a much lower cost.

Surimi and surimi-like products have been available in Japan for several years, and proponents of surimi predict increasing acceptance by American consumers. Their reasoning is that the traditional high-protein Japanese diet is viewed by many Westerners as being very healthful.

The current position of surimi in the U.S. market represents less than one percent of total seafood sales; therefore, the opportunity for improving this position should be good, Gordon says.

Canned Meats: A Windfall

Federal programs are encouraging meat and dairy producers to make fewer dairy products and to sell their cattle for slaughter, says A. Dewey Bond, executive secretary of the National Meat Canners Association. As a result, he says, "there should be an ample supply of processing meat in 1984."

The future for canned meat and meat products looks bright, confirms Bob (Doc) Lommen, MSM at Geo. A. Hormel & Co. He reports that most industry observers predict prices for beef, pork and poultry will remain stable through 1984, though some say prices may rise moderately after April because of increasing feed costs. "Last year's business was exceptional in the commissaries," Lommen says.

Even though Hormel's best-known product, Spam, far outsells its leading competitors, it usually doesn't get shelf facings in proportion to its sales, Lommen believes. Spam continues to be featured in the company's ongoing promotional schedules. "A promotional display in the commissaries requires a 15 percent VPR, and we do a job in promoting them [Hormel products] twice a year."

Also popular in commssaries, he says, are Hormel's Short Orders. These minimeals are meat products packed in 7.5-ounce cans that sell equally well in the family section of the commissary and from vending machines in other on-base locations. Lommen says there are some 25 to 30 items in the line, but they show better movement when the selection is limited to a few. He says the maximum carried by any one commissary is two facings each of eight items.

Although 90 percent of Hormel's canned meat military sales are in commissaries, exchanges also play an important role in their distribution. Lommen says there are only seven items authorized for sale in the AAFES stores. Navy exchanges, however, are able to buy them from a Price Agreement Bulletin, and so "a Navy exchange manager can get just about anything we make," says Lommen. He adds that some exchanges carry Short Orders both in main stores and in convenience store locations.

Flexible, Retortable Pouches

The packing industry, looking for ways to increase productivity and profits, has been investigating the feasibility of using new packaging to enhance traditional meat and fish products, says Robert Green, manager of process and packaging technology at the NFPA.

As successful as canned meat and fish products have been over the years, there is economic pressure on canneries to reduce costs and maintain quality. Consumers have wanted the taste and texture of fresh products with the convenience of canned at an economical price, he says. In short, they want to "have their meat and eat it, too."

Recent packaging developments have done just that, says Green. New materials that are gaining wide interest from the packing companies are heat-resistant pliafilms and laminates. The plastic pliafilm packages are transparent, making the product inside visible and more appealing before it is purchased. Similar packaging is currently being used for a variety of ready-to-cook frozen foods. The laminated package materials are metallic-looking and opaque, and are able to withstand higher temperatures than the plastic alone.

By using these plastic materials, the fish or meat product is easy to heat or cook by dropping the pouch into boiling water or by placing it in a microwave oven. In addition, the new packages are flat ("low profile" in trade terms), take up less space and are lighter in weight than metal cans. These economies are being closely eyed by the industry, Green says.

The most notable success in new packaging for "canned" meat and fish is the opaque retortable pouch. It has all the advantages of pliafilm except for transparency. The retort pouch is a metal foil package that has the potential of literally replacing the tin can, Green says. The fish or meat product inside the pouch has less degradation of flavor, better characteristic texture and nutrient retention, and is low in production, handling and shipping costs, he says.

With the advent of the retortable pouch, aseptic packaging and freeze dry packaging, the pressure has been on canners and packers to produce foodstuffs with improved flavor and texture at reduced costs. "We are engineering products to take advantage of the new packaging," says Dr. Harry Mussman, microbiologist and veterinary medicine specialist with NFPA.

MM

Resale Warms Up to Frozens

For the first time, the resale systems are participating in National Frozen Food Month — and just in time. Frozens are making a comeback after a year of sluggish sales.

By GUY LAMOLINARA
Managing Editor

THE CHILLY SALES picture for the frozen foods case seems to have subsided.

A full three quarters of the frozen food business has gained in tonnage sales, according to recent SAMI figures for the year ending Oct. 14, 1983. This is a far different scenario than existed a year ago when sales for the category were flat overall and the only shining stars were upscale, high-cost entrees.

Those products increasingly making their way into consumers' freezers were: other frozen foods, up 93.3 percent. (Other frozen foods is a minor group consisting of popcorn and pancake batter.); refrigerated and frozen desserts, 12.8 percent; prepared foods, 5.8 percent; meat and fish, 4.3 percent; breakfast foods, 2.4 percent; fruits, 1.2 percent; regular and prepared vegetables, 0.7 percent each; and juices and drinks, 0.6 percent.

On the down side were pot pies, losing 3.6 percent; baked goods, dropping 3.6 percent; and potatoes, experiencing a 1.5 percent decline.

Pot pies' precipitous 3.6 percent decline for the year looks very serious, considering that for the 12-week period ending Oct. 14, the decline was a stunning 14.1 percent. According to one industry source, pot pies simply do not fit in with current consumer preference for a more upscale, sophisticated taste.

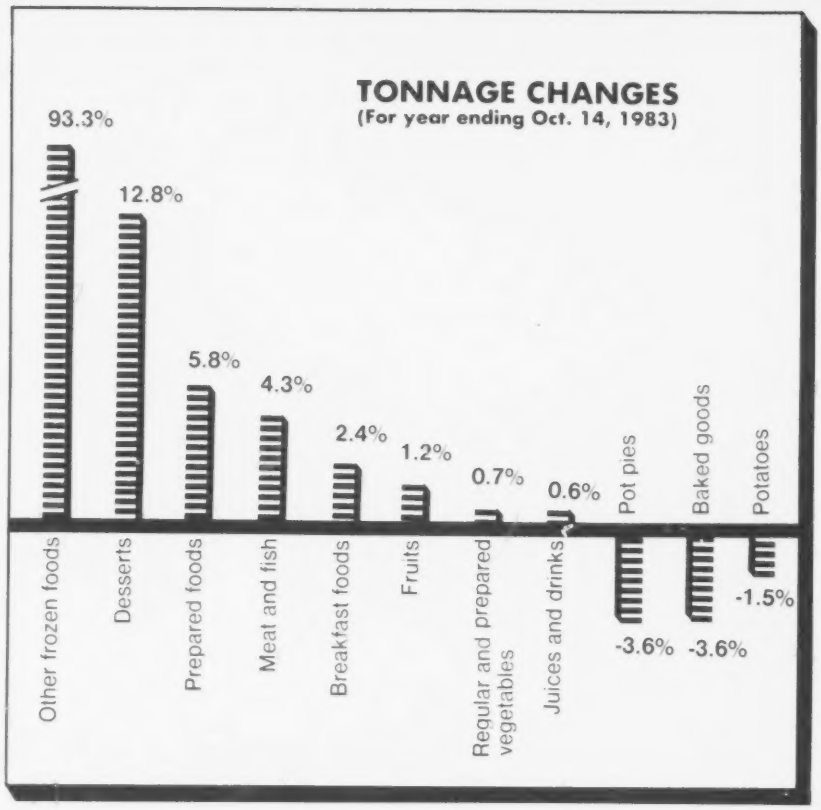
Frozen baked goods, suffering from increased competition from in-store bakeries and vendor-stocked fresh baked goods, sustained a similar but less severe blow: For the 12-week period, the drop was 6.8 percent.

The success of potato products seems to be sprouting anew. For the 12-week period, they were up 6.5 percent. Reason: Frozen potatoes have been able to capitalize on the fact that the price difference between the more expensive frozen and less expensive fresh has decreased, says *Frozen Food Age*.

Upscale Still Tops

Although most segments of the industry are making a comeback, the more expensive, single-dish entrees are still making gains that outpace the rest of the competition. And more manufacturers, recognizing the trend, are joining the fray.

One of the newcomers is Benihana Frozen Foods Corp., named after the famous chain of Japanese steakhouses. The 11-ounce boil-in-bags will contain sliced beef with vegetables in teriyaki sauce, sirloin pepper steak, sweet-and-sour chicken and chicken with snow peas, among others.



Another company making a foray into the relatively uncluttered upscale ethnic category is Van de Kamp's, with its Mexican, Chinese and Italian Classics. H.C. Anicich, MSM, describes the line as "restaurant style."

To give its Mexican foods a high-quality image, the company uses shredded beef instead of less expensive ground beef. The Chinese and Italian items are currently in test market in the Western United States, in both civilian and military stores. Anicich tells MILITARY MARKET: the Mexican line has been national for at least two years, he says.

The company has also taken a bold step with its Chinese Classics: The line will offer spicy Szechuan entrees. Not to be outdone for unusualness on the Italian front, the lasagnas are sold in creamy spinach and beef and mushroom.

Night Hawk Food's MSM John Fitzsimmons says sales of its upscale Top Chopt line, featuring USDA choice beef, "have absolutely gone crazy. The frozen prepared foods section has become a hot spot [in the commissary]." The choice chopped beef is packaged in two-compartment trays with either potatoes, green beans or corn. Night Hawk's initial entry into the ethnic market is Enchilada Fiesta.

Fitzsimmons attributes much of the renewed interest in frozens to the category's "better quality image." One advantage to selling in the military market, he says, is that "it's mobile. Once they have bought a product, they go to other areas and ask for it. So it expands our market.

"The military has a slight edge over the civilian market in the use of frozen foods for the very reason of [the military's] need for convenience," he says.

1983 saw the debut of Swanson's Le Menu in an effort to boost sagging company sales. Swanson also upgraded its TV Dinners, the perennial favorite of the low-budget set, which experienced a 16 percent decrease in unit sales over the past five years, according to *Business Week*. The improved TV Dinner brand products, with less salt, new sauces and desserts, are scheduled to hit the freezer cases this May as a result of Swanson's Project Fix, the company's campaign to improve taste and sales of its frozen dinners.

For those with champagne tastes but beer budgets, Tambellini Foods (a division of General Host, which also owns Van de Kamp's) introduced The Budget Gourmet, with suggested civilian retail prices of $1.59 and $1.69. The company claims it is able to keep quality high and prices low by using a paperboard container that can be directly put into a conventional or microwave oven, rather than the plastic inner containers increasingly used by producers of other gourmet-type frozen foods. The 12 items in The Budget Gourmet line, including sweet-and-sour chicken with rice, three-cheese lasagna and linguine with shrimp, are only available in limited areas, but a national rollout is planned for this year.

Stouffer's, the grandaddy of the upscale entries, holds a whopping 35 percent share of the $1.7 billion-plus single-dish category. Spokeswoman Marguerite Dannemiller tells MILITARY MARKET that "we are seeing the same trends in frozen foods [in 1983] that we saw [in 1982] — people have more sophisticated tastes, want convenience foods and are into fitness."

The very successful Lean Cuisine, introduced in 1982, sold about $125 million its first year, according to SAMI. Banking on the continued success of the line, Stouffer's has just rolled out with cheese cannelloni, beef and cheese cannelloni and Salisbury steak with Italian style vegetables.

High on Low-Cal

Although the trend toward low-calorie foods has emerged in a big way in only the last few years, Weight Watchers recognized the need 16 years ago when it introduced the line to calorie-conscious consumers. The latest additions to the company's line are chicken cacciatore, beef oriental and pepperoni pizza; the final rollout of Italian cheese lasagna will be next month. For those with a sweet tooth, the company's desserts will be even harder to resist. "We have downsized the package from a four-pack to a two-pack to reduce the on-shelf price to the consumer," says MSM Phyllis Linville.

"The biggest news in frozens is the premium dinners, and there's also a lot of competition in the diet category," she tells MILITARY MARKET. To keep at the front of the pack, this spring Weight Watchers will sponsor a sweepstakes prize of a trip to the Wimbledon tennis tournament; the company has also become the official sponsor of the Women's Tennis Association.

The reduced-calorie market is rapidly becoming crowded. New low-cal entries are expected from Armour's Dinner Classics; Banquet has just come out with Light & Elegant; there's On-Cor Lite; and Blue Star Foods has Dining Lite.

Certi-Fresh has joined the trend with its Under 300 [calories] line. Previously, the company was a re-

gional seafood marketer, but spurred on by the success of Weight Watchers and Lean Cuisine, it decided to grab a slice of the increasingly fatter slim-foods pie. The nine-ounce Under 300 packages include two types of sole, halibut, bass and cod.

No Bones About It

Americans have always been great lovers of chicken, including the frozen kind, but now they are increasingly looking for the boneless variety.

"Boneless has caught the public's fancy," says Ed Jared, military sales manager for Tastybird Foods. "There has also been tremendous growth in the batter and breaded line. Sales of frozens, particularly in the military market overseas, have been terrific," he tells MILITARY MARKET. "The overseas commissary shopper has very little choice of chicken other than frozen; fresh chicken is generally not available, and the American product is so superior to that in Europe and Asia that they [commissary shoppers] prefer to buy frozen chicken from America."

In addition to the breaded line and raw whole birds and parts, Tastybird also markets frozen diced chicken for use in salads or "any recipe calling for chicken meat," Jared says.

Whether McNugget mania has anything to do with the success of chicken "finger food" is difficult to say, but the verdict is definitely in on the idea: Americans are saying yea more often to bite-size boneless chicken, and manufacturers are responding with a proliferation of products. A consumer is now faced with a choice among Banquet's chicken nuggets, winglets and drum-snackers; Tyson offers breast fillets and hoagies; and bite-size chicken Oriental style, that is, eggrolls, have long been a staple in the LaChoy line.

A Fishy Slugfest

The big news in fish is that less is more: Less breading — or none at all — have meant bigger sales at the checkout.

Van de Kamp's "slugfest," as one report calls it, with Campbell's Mrs. Paul's Kitchen's, has had a substantial impact on the Mrs. At one point, Mrs. Paul's held more than 35 percent of the market. That share has declined to 27 percent, while allowing Van de Kamp's to hook 17 percent and General Mills' Gorton's to snatch 23 percent, says *Advertising Age*. Mrs. Paul's erosion is attributed to its failure to respond to the demand for a lighter, crispier product, such as its chief competitors offered. Only recently has the company begun to fight back with an improved, crispier coating; it is also test marketing seven Light and Natural prepared seafood entrees.

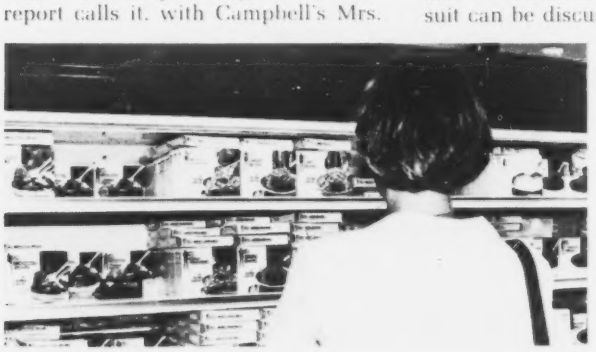
"There is a very heavy trend toward uncoated [fish]," Van de Kamp's Amaich says. As a result, his company has rolled out Today's Catch, a frozen fish fillet that is cleaned on board and frozen minutes after it is caught, he says. The company claims the product is "fresher than fresh" since it doesn't sit on a boat for days, as so-called fresh fish does before reaching market. The maker is also pushing the product's convenience. Unlike most other frozen fish fillets, Today's Catch fillets are individually wrapped so they can be used one at a time.

A Cold War

Pillsbury's assertion that "Totino's has a crust . . . nobody else has" in the Totino's single-serve commercial has resulted in a lawsuit. Jeno's challenged the claim because it says it owns a patent under which a crust similar to that of Totino's is produced.

"It is fine to be competitive in the marketplace, but it is insulting to the frozen pizza industry to permit such false statements in advertising or any communication to the consumer, and we are going to do whatever we can to see that Totino's, or any other packer, is never again allowed to make such disparaging remarks without foundation," Jeno F. Paulucci, company founder, said in a press release.

According to Jeno's spokesman Jim Tills, resolution of *Jeno's Inc. vs. The Pillsbury Co.*, is "under litigation" and no information concerning the suit can be discussed. A spokeswom-



A SHOPPER AT the Fort Belvoir, Va., commissary peruses the frozen foods selection.

MILITARY'S MARCH

NEXT MONTH, for the first time, commissaries will get on the National Frozen Food Month bandwagon.

Promoters expect a good performance during the month-long promotion, even though the resale market has little experience in categorywide cross-service promotions of this type. "Despite this National Frozen Food Month promotion being the first of its kind for the industry in the military market, expectations are that this will be a very successful event," says National Frozen Food Association spokesman Nevin Montgomery.

Many manufacturers, such as Banquet, Green Giant, Lender's, Mrs. Smith's and Ore-Ida, recognizing the military's participation in the event, are holding commissary-only promotions.

One commissary from among the services will be picked to receive a Golden Penguin award at the National Frozen Food convention in November. The award is presented, according to Jeffrey Hausman, director of marketing for Francois L. Schwarz Inc., on the basis of a store's use of POS materials, creative displays and overall promotional efforts.

"The Navy and Air Force have taken a strong interest in the program, but TSA is leaving it up to the regions," he tells MILITARY MARKET.

Hausman, who chairs the resale industry committee promoting National Frozen Food Month, is also encouraged by the systems' efforts to get more frozen foods to customers overseas. These stores will also be participating in National Frozen Food [illegible].

"Because of logistics problems in transportation, new frozen food items do not get as quickly in stores overseas as they do in ConUS," says Hausman. "Cold-storage space is limited so they [the resale systems] have to restrict what they can sell. But as they realize the importance of frozen foods, they are upgrading the frozen food assortment overseas."

— G.V.L.

INTRODUCING
THE BEST OF BOTH WORLDS!

NIGHT HAWK

NEW Salisbury Steak
in golden brown Mushroom Gravy
with Broccoli-Rice Au Gratin

NEW Enchilada Fiesta
two chunky Beef Enchiladas with
Chili and Cheese

Our two new entrees are microwavable
and in your grocers frozen food section.

FROZENS

an for Pillsbury also declined to reveal any information, terming all details "strictly proprietary."

Lawsuits aside, the frozen pizza industry could stand a little spicing up. According to *Frozen Food Age*, the 0.8 percent decline for the four-week period ending Oct. 14, 1983, was the sixteenth drop in the past 17 four-week periods.

One thing Stouffer's has done is to introduce a single-serve size of its popular French-bread pizzas. Weight Watchers has its new entry, and Totino's My Classic Pizza deluxe combination promises to be "a pizza your customers will love."

Jeno's has begun a $10 million advertising campaign to take away some of the sales of the take-out market. According to Paulucci, frozen has only a $1 billion share of the $6.3 billion total pizza business. His strategy is to abandon the price cutting that has plagued the industry and to roll that money into more advertising.

Not all the news on the frozen food front concerns variations of established products. Green Giant claims to be the first in the industry with its Stir-Fry entrees. All six items, such as cashew chicken and beef teriyaki, have less than 350 calories. Land O'Lakes Pour-A-Quiche is an unqualified success, and the company claims the product encourages movement of such complimentary items as pie crusts. Tower Isle has come up with Jamaican style patties, pastry turnovers filled with either mild or hot beef filling.

Fire House Beans Inc. now markets frozen baked beans and chili. The company is so pleased with the products' acceptance that it is considering a frozen soup line, says Jim Tucker, military sales manager.

"I would much rather work with the military," he tells MILITARY MARKET. "If you have a good product and price it right, you have a much better chance of getting it into the store without doing a lot of things that have nothing to do with sales, like offering money to get them to stock your product."

Should the economy continue its upward climb, consumers can probably expect even more exotic offerings. All segments of the industry, with the notable exceptions of baked goods and pizza, seem to have recovered from a year-ago slump. The apparent comeback of frozen potato products is encouraging to the other declining categories, which may soon find their way back to the plus side of the sales column.

MM

Military Market index

Commissaries

		OCTOBER			YEAR-TO-DATE		
		CY'83	CY'82	%CHANGE	CY'83	CY'82	%CHANGE
Air Force	CONUS	$141,944	$145,228	-2.26	$1,456,530	$1,382,131	+5.38
	OVERSEAS	27,198	29,658	-8.29	288,848	277,402	+4.13
	TOTAL	**169,142**	**174,886**	**-3.28**	**1,745,378**	**1,659,533**	**+5.17**
Army	CONUS	107,520	115,336	-6.78	1,039,592	1,010,464	+2.88
	OVERSEAS	32,445	32,240	+0.64	326,194	301,496	+8.19
	TOTAL	**139,965**	**147,576**	**-5.16**	**1,365,786**	**1,311,960**	**+4.10**
Navy	CONUS	52,953	53,616	-1.24	549,811	512,509	+7.28
	OVERSEAS	6,175	6,150	+0.41	63,551	59,975	+5.96
	TOTAL	**59,128**	**59,766**	**-1.07**	**613,362**	**572,484**	**+7.14**
Marines	CONUS	12,036	11,325	+6.28	115,097	108,965	+5.63
	OVERSEAS	199	189	+5.29	1,897	1,786	+6.22
	TOTAL	**12,235**	**11,514**	**+6.26**	**116,994**	**110,751**	**+5.64**
Coast Guard	CONUS	317	237	+33.76	2,892	2,765	+4.59
	OVERSEAS	216	228	-5.26	1,891	1,877	+0.75
	TOTAL	**533**	**465**	**+14.62**	**4,783**	**4,642**	**+3.04**
All Commissaries	CONUS	314,770	325,742	-3.37	3,163,922	3,016,834	+4.88
	OVERSEAS	66,233	68,465	-3.26	682,381	642,536	+6.20
	TOTAL	**$381,003**	**$394,207**	**-3.35**	**$3,846,303**	**$3,659,370**	**+5.11**
Grocery Stores	U.S.[1]	**$20.765 bil.**	**$20.283 bil.**	**+2.38**	**$204.053 bil.**	**$195.052 bil.**	**+4.61**

Exchanges

AAFES	CONUS	$230,625	$220,661	+4.52	$2,257,065	$2,172,317	+3.90
	OVERSEAS	157,433	163,372	-3.64	1,521,591	1,477,964	+2.95
	TOTAL	**388,058**	**384,033**	**+1.05**	**3,778,656**	**3,650,281**	**+3.52**
Navy	CONUS[2]	88,253	89,892	-1.82	843,829	836,464	+0.88
	OVERSEAS[2]	38,204	36,977	+3.32	360,694	341,676	+5.57
	TOTAL[2]	**126,457**	**126,869**	**-0.32**	**1,204,523**	**1,178,140**	**+2.24**
Marines	CONUS	29,257	29,212	+0.15	276,799	275,969	+0.30
	OVERSEAS	4,418	4,656	-5.11	45,980	46,099	-0.26
	TOTAL	**33,675**	**33,868**	**-0.57**	**322,779**	**322,068**	**+0.22**
Coast Guard	CONUS[3]	6,188	6,133	+0.90	60,018	59,128	+1.51
	OVERSEAS[3]	844	684	+23.39	8,184	6,592	+24.15
	TOTAL[3]	**7,032**	**6,817**	**+3.15**	**68,202**	**65,720**	**+3.78**
Mail Order	CONUS[4]	1,418	947	+49.74	11,425	10,144	+12.63
	OVERSEAS[4]	3,481	3,192	+9.05	35,968	36,860	-2.42
	TOTAL[4]	**4,899**	**4,139**	**+18.36**	**47,393**	**47,004**	**+0.83**
All Exchanges	CONUS	355,741	346,845	+2.56	3,449,136	3,354,022	+2.84
	OVERSEAS	204,380	208,881	-2.15	1,972,417	1,909,191	+3.31
	TOTAL	**$560,121**	**$555,726**	**+0.79**	**$5,421,553**	**$5,263,213**	**+3.01**
Department Stores	U.S.[1]	**$9.794 bil.**	**$9.016 bil.**	**+8.63**	**$85.050 bil.**	**$79.176 bil.**	**+7.42**

1) SOURCE: U.S. Department of Commerce. 2) Does not include sales of ships stores. 3) MM estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard.

Individual figures may not add to totals because of rounding. All sales are expressed in millions (add 000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges, and exchange sales include concession volume.